

COASTAL CONSERVANCY

Staff Recommendation

March 26, 2015

SOUTH BAY SALT POND RESTORATION: SHORELINE STUDY

Project No. 02-070-01

Project Manager: Brenda Buxton

RECOMMENDED ACTION: Authorization to disburse up to an additional \$100,000 towards completion of the South San Francisco Bay Shoreline Study.

LOCATION: Alviso, San Jose, Santa Clara County (Exhibit 1)

PROGRAM CATEGORY: San Francisco Bay Area Conservancy

EXHIBITS

Exhibit 1: [Project Location](#)

Exhibit 2: [Site Map](#)

Exhibit 3: [Proposed Project](#)

RESOLUTION AND FINDINGS:

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Sections 31160 *et seq.* of the Public Resources Code:

“The State Coastal Conservancy hereby authorizes disbursement of up to \$100,000 (one hundred thousand dollars) as the Conservancy’s share of increased costs under the Feasibility Cost Share Agreement with the U.S. Army Corps of Engineers and Santa Clara Valley Water District for the South San Francisco Bay Shoreline Study, authorized by the Conservancy on December 2, 2004.”

Staff further recommends that the Conservancy adopt the following findings:

“Based on the accompanying staff report and attached exhibits, the State Coastal Conservancy hereby finds that:

1. The proposed project is consistent with the Conservancy’s current Project Selection Criteria and Guidelines.
 2. The proposed authorization is consistent with the purposes and objectives of Chapter 4.5 of Division 21 of the Public Resources Code, regarding the Conservancy’s mandate to address the resource and recreational goals of San Francisco Bay Area.”
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PROJECT SUMMARY:

The authorization would allow the Conservancy to provide an additional \$100,000 for the South Bay Shoreline Study (the “Shoreline Study”), a feasibility study that is being jointly funded by the Santa Clara Valley Water District, the Conservancy, and the U.S. Army Corps of Engineers under a Feasibility Cost Share Agreement for the South San Francisco Bay Shoreline Study between the parties (“Cost Share Agreement”). The Conservancy authorized the Executive Officer to enter the Cost Share Agreement on behalf of the Conservancy at its December 2, 2004 meeting.

The Shoreline Study assessed the existing flood threat and biological conditions of the Santa Clara County shoreline between 2006 and 2010. Since 2011, the Study has narrowed its focus to a high risk region, the Alviso area between the Guadalupe River and Coyote Creek, and has identified specific flood protection, habitat restoration and public access improvements for that area. This work has been summarized in a draft Integrated Plan which includes the Corps feasibility analysis as well as a draft Environmental Impact Study/Environmental Impact Report. The draft Integrated Plan was released to the public on December 19, 2014 and the comment period closed February 23, 2015. Additional funding is needed to allow the Corps to respond to comments and complete the feasibility process by the end of 2015, at which point it will be submitted to Congress for potential authorization.

The Shoreline Study will facilitate the restoration of the South Bay Salt Ponds because it will complete the required analysis that will enable the U.S. Army Corps of Engineers to cost-share on a project in the Alviso area that would restore nearly 3,000 acres of tidal wetlands, construct new Bay Trail connections, and provide tidal flood protection to a community that is currently below sea-level and at great risk for tidal flooding. Tidal restoration cannot proceed in the Alviso area without improved flood protection measures because the community is so vulnerable to tidal flooding.

The remaining sections of Santa Clara County shoreline not currently addressed in the draft Integrated Plan will be analyzed in additional phases of the Shoreline Study. The SCVWD has already begun the analysis for embarking on the next phase, which will include Palo Alto, Mountain View, and Sunnyvale.

The costs of a federal feasibility study are shared 50-50 between the local sponsor and the U.S. Army Corps of Engineers. The local sponsor costs have been shared between the Conservancy and the Santa Clara Valley Water District, with the Conservancy funding 9% and the Santa Clara Valley Water District 41% of the total costs. The total Shoreline Study costs to date are \$20,367,966.00. An estimated \$1,000,000 is needed to complete the Study. The Conservancy’s 9% share of this additional funding is \$90,000. However, since the \$1 million is only an estimate at this point in time and costs are likely to increase, staff requests authorization for \$100,000. To date the Conservancy has spent \$1.833 million in cash and in-kind services on the Shoreline Study. The Santa Clara Valley Water District has provided \$8.784 million in cash and in-kind services. The U.S. Army Corps of Engineers matches all funds provided by the Conservancy and the Santa Clara Valley Water District.

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PROJECT FINANCING

This authorization

Coastal Conservancy	\$100,000
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Previous authorizations

Coastal Conservancy

cash	\$620,000
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in-kind services & staff labor	<u>\$1,213,116</u>
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\$1,833,116

Total Conservancy Costs	\$1,933,116
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The Conservancy funds from this authorization and past authorizations are matched by the \$4,230,324 in cash and \$4,554,274 in staff labor and in-kind services from the Santa Clara Valley Water District and \$10,183,983 in federal appropriations to the USACE.

The Conservancy authorized the disbursement of up to \$1,000,000 as the Conservancy share of costs under the Cost Share Agreement in September 8, 2005. To cover increased costs, the Executive Officer approved the disbursement of \$150,000, a 15% augmentation, in October 2007. In November 2008, the Conservancy increased its contribution with an additional \$300,000.

The source of the remaining \$100,000 for this project is expected to be the Conservancy's fiscal year 2015 appropriation from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Proposition 50) which can be used for coastal watershed protection, restoration of land and water resources, and associated planning, permitting and administrative costs pursuant to Chapter 4.5 of Division 21 of the Public Resources Code.

As required by Water Code Section 79570, use of these funds is consistent with the applicable adopted local watershed management plan and the applicable regional water quality control plan as detailed below in the "Consistency with Local Watershed Management Plan/State Water Quality Control Plan" section.

CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION:

This project would be undertaken pursuant to Chapter 4.5 of the Conservancy's enabling legislation, Public Resources Code Sections 31160-31165, to address resource goals in the San Francisco Bay Area.

The South Bay Shoreline Study is within the nine-county Bay Area as required under Section 31162 of the Public Resources Code.

Under Section 31162(a), the Conservancy may undertake projects to improve public access to and around the Bay, without having a significant adverse impact on environmentally sensitive areas and wildlife, such as wetlands, through completion of regional trails, local trails connecting to population centers and public facilities and which are part of a regional trail system, and through the provision of related facilities. The proposed project will include public access improvements and recreational

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components including Bay Trail connections.

Under Section 31162(b), the Conservancy may act to protect, restore, and enhance natural habitats and connecting corridors, watersheds, scenic areas, and other open-space resources of regional significance. The Shoreline Study will restore to tidal wetlands over 2,000 acres of South Bay salt ponds in the Ponds A9-A15 pond complex plus 856 acres of the City of San Jose's Pond A18.

Under Section 31162(d), the Conservancy may act to promote, assist, and enhance projects that provide open space and natural areas that are accessible to urban populations for recreational and educational purposes. The implementation of the South Bay Shoreline Study will provide an important open space resource for recreational purposes.

Consistent with Section 31163(c), the restoration, flood protection, and recreation project described in the Shoreline Study's Integrated Document meets the following criteria: (1) is supported by adopted regional plans (*San Francisco Bay Plan*, *San Francisco Baylands Ecosystem Habitat Goals Report (1999)*, pp. 97, 126-139, and the *San Francisco Basin (Region 2) Water Quality Control Plan (June 29, 2013)* pp. 2-2 and 4-92), (2) is multijurisdictional (involves multiple agencies) and serves a regional constituency (the restoration component will facilitate the national significant South Bay Salt Pond Restoration Project and will complete regional trail connections), (3) can be implemented in a timely way (once authorized by Congress), and (4) provides opportunities for habitat, flood protection, and public access benefits that could be lost if the project is not quickly implemented.

The project is consistent with Sections 31163(a) and (b), directing the Conservancy to participate in and support interagency actions and public/private partnerships in the San Francisco Bay Area to implement long-term resources and outdoor recreational goals.

The project is also consistent with Section 31111 which allows the Conservancy to fund and undertake plans and feasibility studies.

CONSISTENCY WITH CONSERVANCY'S 2013 STRATEGIC PLAN GOAL(S) & OBJECTIVE(S):

Consistent with **Goal 11, Objective C** of the Conservancy's 2013 Strategic Plan, the proposed project will develop plans for restoration or enhancement of approximately 3,000 acres of wetlands. In addition, this authorization is consistent with **Goal 12, Objective A** to develop plans that provide recreation facilities and **Goal 12, Objective D** to develop plans for creation of over 2 additional miles of the San Francisco Bay Trail.

CONSISTENCY WITH CONSERVANCY'S PROJECT SELECTION CRITERIA & GUIDELINES:

The proposed project is consistent with the Conservancy's Project Selection Criteria and Guidelines, last updated on October 2, 2014, in the following respects:

Required Criteria

1. **Promotion of the Conservancy's statutory programs and purposes:** See the "Consistency with Conservancy's Enabling Legislation" section above.

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2. **Consistency with purposes of the funding source:** See the “Project Financing” section above.
3. **Promotion and implementation of state plans and policies:** The restoration, flood protection and adaptive management actions of the Shoreline Study will promote and implement several state plans including:
 - *CA Climate Adaptation Strategy/Safeguarding California: Reducing Climate Risk Plan (July 2014)*. The plan identifies Actions Needed To Safeguard Biodiversity And Habitats including #2 Implement adaptive management studies to refine approaches for conserving biodiversity, especially for species and communities vulnerable to climate change such as coastal wetlands.
 - *California Water Action Plan (2014)*. The project helps achieve Goal #4, Protect and Restore Important Ecosystems as it is one of the 10 “large-scale habitat projects along the California coast in strategic coastal estuaries to restore ecological health and natural system connectivity, which will ... help defend against sea level rise”. In addition, the project supports Goal #8, Increase Flood Protection, calls for flood protection projects that achieve multiple benefits including through floodplain restoration.
 - *California @ 50 Million: The Environmental Goals and Policy Report (2013 Draft)*. Key Action #3 of the “Preserve and Steward State Lands and Natural Resources” calls for building resilience in natural systems and specifically points out that wetlands “provide important carbon sequestration opportunities for the state.”
 - *CA Wildlife Action Plan (2005)*. The project will further the following statewide recommended actions: a) The California Resources Agency, Fish and Game, the U.S. Fish and Wildlife Service, public land managing agencies, and local governments need to develop multicounty regional habitat conservation and restoration plans; g) Public agencies and private organizations need to collaboratively protect and restore lowland linkages in San Francisco Bay.
4. **Support of the public:** This project would help implement the goals of the South Bay Salt Pond Restoration Project which is supported by Senator Dianne Feinstein, the Richard and Rhoda Goldman Fund, the William and Flora Hewlett Foundation, the Gordon E. and Betty I. Moore Foundation, the David and Lucile Packard Foundation, Resources Legacy Fund, the California Natural Resources Agency, California Department of Fish and Wildlife, U.S. Fish and Wildlife Service, Santa Clara Valley Water District, Alameda County Flood Control District, the San Francisco Bay Joint Venture, Save The Bay, The Bay Institute, National Audubon Society, Citizen’s Committee to Complete the Refuge, Cargill, and many other agencies, organizations, and individuals.
5. **Location:** The proposed project is located in southern San Francisco Bay Area, Santa Clara County, consistent with Section 31162 of the Public Resources Code.
6. **Need:** Approximately 85 percent of the tidal marsh in San Francisco Bay has been lost since the Gold Rush, leading to dramatic losses of fish and wildlife, decreased water quality and increased turbidity in the Bay, and changes to physical processes as the size of the Estuary shrank, increasing the need for dredging and the local hazards of flooding. The need for restoration of tidal marsh in San Francisco Bay in order to aid in the recovery of at-risk species, and improve water quality and the physical health of the Bay, is well recognized among scientists and resource managers. In

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addition, the community of Alviso is below sea-level and at great risk of tidal flooding.

7. **Greater-than-local interest:** Restoration of this area is of national significance and will result in nearly 3,000 acres in tidal wetland restoration which will provide benefits to a large number of species, including migratory waterfowl and shorebirds, and aid in the recovery of several threatened or endangered species, including the California clapper rail and salt marsh harvest mouse. In addition, providing flood protection to Alviso will also benefit the community residents, many regionally-significant high tech businesses, and a wastewater treatment plant that serves over 1 million people.
8. **Sea level rise vulnerability:** Due to their location, all tidal wetland restoration projects can be vulnerable to sea-level rise impacts. However, once the marsh plain of a restored wetland is colonized by vegetation, marshes become efficient sediment traps. Hydrological modeling done as part of the South Bay Salt Ponds Restoration Project's geomorphological analysis indicates that the south Bay's wetlands are likely to keep up with an accelerated pace of sea-level rise. If sea-level rise rates are higher than modeled, it could take longer for marsh vegetation to develop or, in more extreme scenarios, may mean that the restoration sites do not evolve past the intertidal mudflat or shallow open water stage. However, much of the project area is likely to withstand the impacts from sea-level rise for several reasons. The Alviso Ponds are located in the sediment-rich South Bay and past wetland restoration projects have shown much more rapid than predicted sedimentation and colonization by vegetation. Once vegetated, the site will be more resilient to impacts of sea-level rise. The flood protection elements of the plan would increase the flood protection for community of Alviso and the water treatment plant.

Additional Criteria

9. **Urgency:** The Corps is striving to complete the environmental document and the Corps review process by the end of 2015 so that the project can be considered by Congress for authorization under the next Water Resources Development Act.
10. **Resolution of more than one issue:** The restoration of the South Bay salt ponds will provide for habitat restoration for fish and wildlife, improved water quality and flood control, and enhanced recreational opportunities.
11. **Leverage:** See the "Project Financing" section above.
12. **Realization of prior Conservancy goals:** The Shoreline Study will allow the federal government, through the US Army Corps of Engineers, to cost-share on implementation of nearly 3,000 acres of wetland restoration in South San Francisco Bay, 2,045 of those acres being in the South Bay Salt Pond Restoration Project area.
13. **Cooperation:** The Conservancy is working closely with the Santa Clara Valley Water District, the other nonfederal sponsor, in order to implement wetland restoration, flood protection, and recreational improvements.

CONSISTENCY WITH SAN FRANCISCO BAY PLAN:

The Shoreline Study is under the permit jurisdiction of the San Francisco Bay

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Conservation and Development Commission (“BCDC”).

The project is consistent with the following policies of BCDC's San Francisco Bay Plan (Reprinted March 2012):

Part III: The Bay as a Resource

Fish, Other Aquatic Organisms and Wildlife (p. 16)

- To assure the benefits of fish, other aquatic organisms and wildlife for future generations, to the greatest extent feasible, the Bay’s tidal marshes, tidal flats, and subtidal habitat should be conserved, restored and increased.

Water Quality (p.19)

- The Bay’s tidal marshes, tidal flats, and water surface area and volume should be conserved and, whenever possible, restored and increased to protect and improve water quality.

Water Surface Area and Volume (p. 20)

- Water circulation in the Bay should be maintained, and improved as much as possible.

Tidal Marshes and Mudflats (p. 23-24)

- Where a transition zone does not exist and it is feasible and ecologically appropriate, shoreline projects should be designed to provide a transition zone between tidal and upland habitats.
- Where feasible, former tidal marshes and tidal flats that have been diked from the Bay should be restored to tidal action in order to replace lost historic wetlands or should be managed to provide important Bay habitat functions, such as resting, foraging and breeding habitat for fish, other aquatic organisms and wildlife.
- Any ecosystem restoration project should include clear and specific long-term and short-term biological and physical goals, and success criteria, and a monitoring program to assess the sustainability of the project.

Part IV: Development of the Bay and Shoreline

Public Access (pp. 67-68)

- In addition to the public access to the Bay provided by waterfront parks, beaches, marinas, and fishing piers, maximum feasible access to and along the waterfront and on any permitted fills should be provided in and through every new development in the Bay or on the shoreline, whether it be for housing, industry, port, airport, public facility, wildlife area, or other use, except in cases where public access would be clearly inconsistent with the project because of public safety considerations or significant use conflicts, including unavoidable, significant adverse effects on Bay natural resources. In these cases, in lieu access at another location preferably near the project should be provided.
- Public access to some natural areas should be provided to permit study and enjoyment of these areas. However, some wildlife is sensitive to human intrusion. For this reason, projects in such areas should be carefully evaluated in consultation

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with appropriate agencies to determine the appropriate location and type of access to be provided.

CONSISTENCY WITH LOCAL WATERSHED MANAGEMENT PLAN/ STATE WATER QUALITY CONTROL PLAN:

Located at the confluence of the Coyote Creek and Guadalupe River watersheds, the project is consistent with several regional management plans. The project supports the Estuary Project's Comprehensive Conservation and Management Plan (June 1994) recommendation for large-scale restoration of salt ponds and other former wetlands in order to support sustainable populations of fish and wildlife as well as other benefits associated with wetlands. In addition, the project is consistent with the San Francisco Baylands Ecosystem Habitat Goals Report (1999) which recommends tidal wetland restoration in the project area. Furthermore, the project is consistent with the San Francisco Basin (Region 2) Water Quality Control Plan (Basin Plan) for the San Francisco Bay since this plan calls for uses of water that support estuarine ecosystems, including, but not limited to, preservation or enhancement of estuarine habitats, vegetation, fish, shellfish, or wildlife (p. 2-2) and recognizes the multiple benefits of wetland restoration for water quality and beneficial uses (p. 4-92).

COMPLIANCE WITH CEQA:

The Shoreline Study is exempt from the California Environmental Quality Act because it constitutes (1) feasibility and planning activity (14 California Code of Regulations 15262) and (2) data collection, research, and resource evaluation activities (14 California Code of Regulations 15306). Staff will file a Notice of Exemption upon approval. Staff expects to bring implementation actions to the Conservancy in the future, and the Conservancy will likely be asked to make findings as a CEQA responsible agency at that time.